

director for each taxable year which contains a December 31 falling within the period described in the last sentence of subdivision (i) of this subparagraph, stating that an election or termination (as the case may be) is effective for such taxable year and containing the information which would be required to be set forth in a statement of consent to the election or termination filed pursuant to subparagraph (1)(i) of this paragraph. Information on group identification may either be attached to the statement or incorporated by reference to the name, address, taxpayer account number, and taxable year of a component member of the group which has attached such group identification to an income tax return, amended return, or claim for refund filed with the same district director for the taxable year including such date.

(d) *Effect of consent.* Under section 1562(e), any consent to an election under section 1562(a)(1) or a termination under section 1562(c)(1) is deemed to be a consent to the application of section 1562(g)(1) (relating to tolling of statute of limitations on assessment of deficiencies). See § 1.1562-7.

[T.D. 6845, 30 FR 9746, Aug. 5, 1965]

#### § 1.1562-4 Election after termination.

(a) *In general.* Under section 1562(d), if a controlled group of corporations has made a valid election under section 1562(a)(1), and such election is terminated by any one of the occurrences described in paragraph (b) of § 1.1562-2, then such group (or any controlled group which is a successor to such group within the meaning of paragraph (c) of § 1.1562-5) is not eligible to make an election under section 1562(a)(1) with respect to any December 31 before the sixth December 31 after the particular December 31 with respect to which such termination was effective. For the particular December 31 with respect to which a termination is effective, see paragraph (c) of § 1.1562-2.

(b) *Example.* The provisions of this section may be illustrated by the following example:

*Example.* In 1965, a controlled group of corporations makes a valid election under section 1562(a)(1) with respect to December 31, 1964. In 1967, the election is terminated with

respect to December 31, 1964, by consent pursuant to paragraph (b)(1) of § 1.1562-2. The group (or any successor group) is not eligible to make another election with respect to any December 31 before December 31, 1970 (i.e., the sixth December 31 after December 31, 1964, the particular December 31 with respect to which such termination was effective). If in this example the election had been terminated with respect to December 31, 1965, instead of December 31, 1964, the group (or any successor group) would not be eligible to make another election with respect to any December 31 before December 31, 1971.

[T.D. 6845, 30 FR 9747, Aug. 5, 1965]

#### § 1.1562-5 Continuing and successor controlled groups.

(a) *Controlled group continuing in existence.* For purposes of §§ 1.1561-3 and 1.1562-1 through 1.1562-4:

(1) *Parent-subsidiary group.* A parent-subsidiary controlled group of corporations shall be considered as remaining in existence as long as (i) such group is not considered, under paragraph (c)(3) of this section, to be a successor controlled group in respect of another controlled group, and (ii) its common parent corporation remains as a common parent and satisfies the requirements of paragraph (a)(2)(i)(b) of § 1.1563-1 with respect to the ownership of stock of at least one corporation.

(2) *Brother-sister group.* A brother-sister controlled group of corporations shall be considered as remaining in existence as long as the requirements of paragraph (a)(3)(i) of § 1.1563-1 continue to be satisfied with respect to at least two corporations, taking into account the stock ownership of only those five or fewer persons whose stock ownership was taken into account with respect to the election under section 1562(a)(1).

(3) *Combined group.* A combined group of corporations shall be considered as remaining in existence as long as (i) the brother-sister controlled group of corporations referred to in paragraph (a)(4)(i) of § 1.1563-1 in respect of such combined group remains in existence (within the meaning of subparagraph (2) of this paragraph), and (ii) at least one such corporation is a common parent of a parent-subsidiary controlled group of corporations referred to in such paragraph (a)(4)(i).